OVERVIEW

SUSTAINABILITY REPORT

PEOPLE - COMMUNITY - PLANET
The Foremost Farms sustainability goal is to measure environmental stewardship and member-owner success, while exploring potential partnerships with industry experts and customers. Since 2016, Foremost Farms USA has been a proud partner of the Dairy Strong Sustainability Alliance – a diverse group of partners who have come together to ensure production of dairy foods and environmental practices are continuously improving.

Foremost Farms was the first dairy processor to join the Alliance and we continue to aggregate more data each year, both from farms and processing facilities. As always, our goal is to show tangible continuous improvements in animal care, environmental conservation, food safety, and other practices.

Customers and consumers ask questions every day about modern-day farm and dairy plant practices. Farmers and processors are working together to produce nutritious dairy products that are environmentally, socially, and economically better.

Foremost Farms has been recognized for innovative processing techniques that save energy, water, and reduce emissions. Farmers and processors use nationally recognized tools from Field to Market, Innovation Center for U.S. Dairy, National Dairy F.A.R.M. Program, and other in-state tools to measure results.

I invite you to review our Sustainability Overview, and learn more about our commitment to continuous improvement.

Michael Doyle
President & CEO
FEED IMPACT

Foremost Farms USA is collaborating with the Innovation Center for U.S. Dairy (ICFUSD) and Field to Market, to address feed impact at the farm level. Foremost Farms currently has three member-owner dairies piloting Field to Market’s "Fieldprint Calculator." The goal is to harmonize the Fieldprint Calculator with the National Milk Producers Federation F.A.R.M. Program. By combining both tools, it will reduce duplicated efforts associated with feed sustainability. By jointly working with Field to Market and ICFUSD, we are able to continue our research and communicate the positive advancements in sustainable agriculture.

DAIRY FARM

ENERGY USE

Energy Use - MJ/ lb FPCM produced:

Foremost Farms 1.66

National Average 1.98

In the case of environmental footprint, less is best. Foremost Farms member-owners who follow the FARM Environmental Stewardship (ES) Module, used 16% less energy than the national average. Additionally, the participating farms produced 33% less greenhouse gas emissions per unit, as calculated by the FARM ES sampling method.

GREENHOUSE GAS EMISSIONS

GHG Emissions- lb CO2e/ lb FPCM produced

Foremost Farms

National Average

1.17

0.78

Our 1,200 member-owners have demonstrated their dedication to the highest-quality animal care through 100% participation in the National Dairy F.A.R.M. Program: Farmers Assuring Responsible Management.
Foremost Farms USA is a founding partner in Newtrient LLC, which consists of 12 leading milk cooperatives representing 20,000 dairy farmers, which produce approximately half of the nation’s milk supply. Newtrient helps all dairy farmers, technology providers and other stakeholders assess manure management opportunities and challenges to make informed decisions on how to handle manure and protect water.

Foremost Farms and its member-owners started working on projects to conserve water, manage phosphorus limit, soil erosion and improve environmental health. The plan is to understand farmer and industry approaches for best practices. Foremost Farms has partnered with Dairy Strong Sustainability Alliance, Dodge County Farmers for Healthy Soil & Healthy Water, Common Ground - Eau Pleine Partnership for Integrated Conservation (EPPIC), and Fox-Wolf Watershed Alliance to advance these objectives.

These partnerships have encouraged and enabled dairy farmers to engage with their local communities to drive improvement in water quality. Our goal moving forward is to create a voluntary certification program that drives continuous improvement in water quality and preservation.

What processors call waste is actually a by-product for the dairy feed industry. Examples of by-products include soy hulls, beet pulp, canola meal and distiller grains. Dairy cows are excellent at recycling by-products by capturing the nutritional value of their diets. In 2018, 15 member-farm nutrient management plans were approved by the state of Michigan. These extensive plans demonstrate our members' commitment to nutrient stewardship. Our dairies utilize as much as 19% by-products in the diets fed to their cows.
## PROCESSOR/MANUFACTURER

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>METRIC</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ENERGY USE</strong></td>
<td>Total energy use (converted to MMBtu) / lb. of production output</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>-1%</td>
<td>-7%</td>
</tr>
<tr>
<td><strong>GREENHOUSE GAS EMISSIONS</strong></td>
<td>Total GHG emissions (metric tons, CO2e, Scope 1 and 2) / lb. of production output. Measurement based on the GHG Protocol.</td>
<td>-1%</td>
<td>-9%</td>
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<tr>
<td><strong>WATER USE</strong></td>
<td>Total gallons used</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>-1%</td>
<td>-4%</td>
</tr>
<tr>
<td><strong>WATER EFFICIENCY</strong></td>
<td>Gallons of water used for 1,000 pounds of production</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>-1%</td>
<td>-8%</td>
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<tr>
<td><strong>WATER DISCHARGE &amp; QUALITY</strong></td>
<td>Percentage of water discharge compliant with regulations</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>100%</td>
<td>100%</td>
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</tbody>
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## IMPROVING OUR PLANTS

In addition to building a new plant in Greenville, Michigan, we invested in our existing plant network in 2018. Other improvements include:

- Clayton: A new control room in the whey plant
- Preston: A 50,000 gallon milk silo and new air handling unit
- Milan: Optic cable to improve the plant network
- Reedsburg: A new butter reworker
- Marshfield: A new metal detector and vacuum sealer
- Plover: New process improvement sensors and meters (using an initial $40,000 grant from Wisconsin's Strategic Energy Management Program)
EMPLOYEE ENGAGEMENT

EMPLOYMENT OPPORTUNITIES
Total number of jobs
1,050

EMPLOYEE BENEFITS
- Paid Time Off
- Medical/Rx, dental and vision coverage
- Term life insurance
- Short and Long-Term Disability insurance
- 401(k) savings plan with a generous company contribution
- Paid Holidays

EMPLOYEE RETENTION
Number of employees who have been employed during the past year and percentage of employees who have been employees for 5, 10, 15 and 20 years
- > 20 years 16%
- 10-20 years 18%
- 5-10 years 15%

COMMUNITY CONTRIBUTIONS

$85,000
In addition to product donations and volunteer hours, we gave more than $85,000 in monetary donations to non-profit organizations.

8 events
In 2018, eight 4-H & FFA events were supported throughout the Midwest.

26 events
Sponsored 26 Breakfast on the Farm events which drew over 52,000 attendees.

52,000 attendees

Volunteer activities performed by employees:
- Adopt-A-Highway Clean Up
- Holiday Giving Tree
- Food Pantry Donation Drives
- Annual Blood drives
- Events to raise funds for Cow-lege Cash Scholarship Fund